

CITY OF NEWBERG COUNCIL MINUTES
MARCH 5, 2012
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)

I. CALL MEETING TO ORDER

Mayor Bob Andrews called the meeting to order at 7:00 p.m.

II. ROLL CALL

Council

Present:	Mayor Bob Andrews	Denise Bacon	Stephen McKinney	Bart Rierson
	Marc Shelton	Wade Witherspoon	Ryan Howard	

Staff

Present:	Daniel Danicic, City Manager	Terry Mahr, City Attorney
	Barton Brierley, Planning and Building Director	Norma I. Alley, City Recorder
	David Beam, Economic Development Coordinator	Jennifer Nelson, Deputy City Recorder

Others

Present: Robert Soppe, Hank Grum, Sheryl Kelsh, and Louis Larson.

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

IV. CITY MANAGER'S REPORT

Mr. Daniel Danicic, city manager, invited the council to the children's library expansion kickoff fundraiser on March 8, 2012, at 11:30 a.m. He announced Oregon Department of Transportation (ODOT) will be holding an auction this Saturday, March 10, 2012, at 2:00 p.m. on the corner of 13th Street and River Street to sell the manufactured homes purchased for the bypass right-of-way. He exhibited the new Veteran's parking sign to be installed at the Blaine Street Parking Lot.

V. PUBLIC COMMENTS

Mr. Robert Soppe said unless he is misreading the agreement, regarding Resolution No. 2012-2991, letting ODOT deal with the right-of-way collection for College Street improvements, it appears the property owners who would normally have incurred a financial burden for the improvements may not only avoid those burdens, they may be compensated for the right-of-way transfer. He asked if there is a mechanism included in the agreement that ensures the council makes a decision about this, does this agreement negate the power of the council to decide if those who have legal obligations to fund improvements in front of their properties are going to pay, or is the burden to be placed on future developers.

Mr. Danicic stated the contract is specifically with ODOT. It is their project and they do all the work; part of that is the right-of-way acquisition. This is less expensive than going out to get a consultant. The contract focuses on the act of who is doing the appraisal and does not speak to the council's right to weigh in. It does not address or negate the authority of the council, subvert their decisions, or make things more difficult.

VI. CONSENT CALENDAR

1. Consider a motion approving **Resolution No. 2012-2991** authorizing the city manager to execute an Intergovernmental Agreement with the State of Oregon for right-of-way services for the N. College Street Sidewalk and Bike Lanes Improvement Project.
2. Consider a motion approving **Resolution No. 2012-2992** authorizing the city manager to negotiate a contract change order with First Cascade Corporation for the Fire Station 20 Remodel Project.

This item was pulled from the Consent Calendar to be discussed under New Business.

3. Consider a motion approving the February 6, 2012, City Council meeting minutes.

MOTION: Rierson/Howard approving the Consent Calendar including **Resolution No. 2012-2991** and the City Council minutes from February 6, 2012, as presented. Motion carried (7 Yes/0 No).

VII. PUBLIC HEARINGS

1. Consider a motion approving **Ordinance No. 2012-2749** establishing a Newberg Affordable Housing Trust Fund.

TIME – 7:16 p.m.

Mayor Andrews announced this is the second reading. Testimony was heard at the last meeting and additional written correspondence has been received and entered into the record. He reconvened the Legislative Hearing and asked for staff's recommendation.

Mr. David Beam, economic development coordinator, recommended approving Ordinance No. 2012-2749.

Mayor Andrews stated the use of the phrase “determined that” under Recital number five may not be the best use of words and suggested changing it to “is concerned that”.

Councilor Bacon said the determination was the creation of the Affordable Housing Committee. Mayor Andrews said there was no formal “determination” made by a vote taken.

Councilor Shelton agreed the charge given to the ad-hoc committee may have been council's determination, but could appreciate better wording.

Mayor Andrews said he would like to see the motion made to include the language change in the fifth recital.

Councilor McKinney stated after reading through the past and present affordable housing record, this ordinance sets up the agency or the mechanism to fund rather than a fund. He is not in support of this ordinance because it has yet been explained how this will create affordable housing in Newberg and he does not like to support something that still has a lot to prove.

MOTION: Bacon/Howard approving **Ordinance No. 2012-2749** amending the Municipal Code, adding a new section establishing a Newberg Affordable Housing Trust Fund. To be read by title only.

MOTION: Andrews/Howard amending **Ordinance No. 2012-2749** changing the language “determined that” to “is concerned that” under the fifth recital. Motion carried (6 Yes/1 No [McKinney]).

Councilor Rierson said he was in support of this motion establishing an account and hopes to see the committee provide some recommendations to move the process forward.

VOTE: To approve **Ordinance No. 2012-2749** amending the Municipal Code, adding a new section establishing a Newberg Affordable Housing Trust Fund, as amended and read by title only. Motion carried (6 Yes/1 No [McKinney]).

2. Consider a motion approving **Ordinance No. 2012-2750** deferring the collection of System Development Charges for affordable housing projects.

TIME – 7:29 p.m.

Mayor Andrews introduced the hearing as a first reading and called for any conflicts of interest or abstentions; none appeared.

Mr. Barton Brierley, planning and building director, presented the staff report, with the use of a PowerPoint slideshow (see official meeting packet for full report), and recommended approval of Ordinance No. 2012-2750.

Councilor Howard asked is there opportunity for developers to abuse this. Barton Brierley answered yes, by using it as a deferral to collect later, which could be more difficult to collect.

Councilor Rierson asked has this previously made it more attractive for builders to build affordable housing, would this be made available to more than just affordable housing developers, and has this spurred development. Barton Brierley replied this has been available to promote development making it an attractive option for a number of developers and did spur some building, but it is not intended for more than affordable housing.

Councilor McKinney asked what protection is there to ensure payment is made. Barton Brierley replied holding the certificate of occupancy until the System Development Charge (SDC) is paid for or record a lien on the property.

Councilor Witherspoon explained to put a real number to this, an average multi-family unit would have \$100.00 in interest with potential savings for developers to reach into the thousands of dollars. Barton Brierley agreed with the statement.

Mayor Andrews asked why this is only for affordable housing and not all development. Barton Brierley said because there is interest and administrative costs to the city that are not recommended to incur for non-affordable housing. Mayor Andrews suggested making the deferral available for all development.

Mayor Andrews asked if the language stating “applicant shall demonstrate the dwelling will be for a low or very low income household” under 13.05.095(C) has been defined in the code. Barton Brierley answered it is defined in the Newberg Affordable Housing Action Plan, not in the code.

Councilor Shelton said low income is defined in the Affordable Housing Action Plan on page five, but the problem is it has the 2009 static figures in that document. It would be helpful to adopt more fluid numbers updated through the years. It helps to have real numbers, not approximate.

Councilor Howard expressed the same interest in expanding to all projects and would like to look at what kind of fee would be required and still thinks exemption for affordable housing would be appropriate.

Mayor Andrews opened the public testimony starting with proponents:

Mr. Robert Soppe testified there are ways to lower cost. Shift the cost by changing the procedure to save elsewhere or change building standards. He said he is generally not in favor of shifting the burden. There may be a slight shortfall made up by future developers. Charge in the future for deferrals now and then in the future it could be taken advantage of too. He liked the suggestion of including staff time expense. It also creates savings by reducing financing costs to the developer. This is a good benefit to offer developers. A shorter deadline would be appropriate under item E stating the city manager may allow payment upon closing of escrow in no case more than six months after the certificate of occupancy. The interest should be fairly clear under item F, because as it states the interest shall be specified in the agreement but am not seeing what the standard should be. Holding the certificate of occupancy is a strong leverage, but a lien is not strong enough. This is a great thing to open to all developers with the provision of a fee to cover staff expenses.

Opponents:

Mr. Hank Grum testified this should not pass because it allows government to crowd out private lending at the taxpayers risk and expense. The language for the city manager to tie up ends and the dollar amount in staff time needs to be cleared up. Staff is overworked by the cut backs, so why add more burden. Banks and credit unions are in the business of assessing risk and not at the taxpayer's expense. What about addressing how the shortfall will be financed for city projects from deferred SDC principal. This ordinance provides special privileges contrary to Oregon constitution stating no law shall be passed allowing privileges or immunities not equally applied to all citizens. This ordinance excludes the builder that does not apply to Housing of Urban Development (HUD) guidelines. HUD builders pay no property taxes removing properties from tax rolls. Until there are better figures on costs to the city and privileges to only a certain class of people is addressed; this should not be accepted.

Mayor Andrews closed the public testimony and kept the written record open for seven days. Council deliberations will be held at the next meeting.

VIII. NEW BUSINESS

1. Consider a motion accepting the Chehalem Valley Chamber Visitor Information Center Second Quarter Report.

TIME – 8:13 p.m.

Ms. Sheryl Kelsh, Chehalem Valley Chamber Of Commerce director, reviewed the report submitted for the packet. She announced the launch of their new brand, working on inputting all the data for a new website, the publishing of the new 2012-2013 community maps, and the success of the Trilogy Winemakers Dinner held at The Allison Inn last weekend.

MOTION: Rierson/Bacon accepting the Chehalem Valley Chamber Visitor Information Center Second Quarter Report. Motion carried (7 Yes/0 No).

2. Consider a motion to modify the City Hall hours to 8:30-4:30 Monday through Friday.

TIME – 8:17 p.m.

Mr. Danicic presented the staff report (see official meeting packet for full report).

Councilor Shelton asked if there would be an advantage to be open for water shut off days. Mr. Danicic replied it would allow customers to come in an extra half an hour. Customers would still have to come in by 5:00 p.m. for the public works employee to turn water back on.

Mayor Andrews suggested adding the continued use of the call handler.

Councilor Howard said he is willing to proceed with extended hours on shut off days, but would like staff to monitor it and if it is not working then come back to council for reconsideration.

MOTION: **Rierson/Shelton** to modify the City Hall hours to 8:30-4:30 Monday through Friday, except to remain open until 6:00 p.m. on water shut off days, and to continue use of the call handler. Motion carried (7 Yes/0 No).

Mayor Andrews recessed at 8:26 p.m. for seven minutes and reconvened the meeting at 8:33 p.m.

3. Consider a motion approving **Resolution No. 2012-2990** placing an operating levy on the May 4, 2012, ballot to fund the local, 9-1-1/Emergency Communications Center.

TIME – 8:33 p.m.

Mayor Andrews explained the desire for council to participate in a roving gavel process allowing for councilors to get experience in running a meeting. Mayor Andrews handed the gavel to Councilor Howard to lead the process for this resolution.

Mr. Dan Danicic presented the staff report.

Councilor Rierson asked Chief of Police Brian Casey is there more than funding for operation of the 9-1-1 public safety that comes from general fund, such as training and staffing and all that goes along with public service. He continued asking if you were making the decision would you contract the work or keep it the way it is. Brian Casey answered if there were significant savings and cuts were to lose officers, then I would consider contracting dispatching as a good alternative. With the cost of Washington County Consolidated Communications Agency (WCCCA), today I do not see significant savings. Councilor Howard stated he is not in favor of contracting 9-1-1 services and likes having 9-1-1 in the community. There appears to be marginal savings to contract it out.

Councilor Rierson stated if this levy goes on the May ballot, it might not fair well in the current economic climate, so I am not comfortable to support this ballot.

Councilor McKinney said there is a reality this is not going to succeed on the ballot and the city needs to come up with a hard budget. A question to ask the community is is it important to commit to keeping 9-1-1 in our community. I also would like to find out what contracts we have with other jurisdictions.

Councilor Bacon inquired if the rural fire district was liable to fund the communications center. Dan Danicic answered the city does have a contract with them to provide service for a certain cost, but do not know of the specific provisions in the contract. Brian Casey stated there is just an agreement, but not within the last 10 years, for police services but dispatch was not mentioned.

Councilor Howard asked is there a contract with Dundee Fire for dispatch. Brian Casey replied no, not a dispatching contract just an agreement between the city managers placed on letterhead in 2004.

Councilor Rierson asked is Newberg dispatching for Dundee fire and the rural fire district. Brian Casey answered yes.

Councilor McKinney asked how much does the rural fire district and Dundee financially contribute toward the 9-1-1 expenses. Brian Casey said \$36,000.00 last year for dispatching services.

Councilor McKinney expressed concern that WCCCA would look at Newberg as a potential revenue source rather than how other Washington county residents would participate, potentially making us responsible for a higher or undue amount to participate. Dan Danicic said that can be accounted for during contract negotiation. The contract would be approved by council, which could not allow for that type of thing to happen.

Councilor Bacon pointed out the continued need for a records department and the increase in personnel to do what is currently covered by the communications officers. Brian Casey added dispatch multi-tasks providing support in data entry of citations and police reports; answering business lines; and transferring calls within the department.

Councilor Howard opened public testimony starting with opponents:

Mr. Louis Larson testified he has been a resident since 1999 and is in opposition, which is not based on if the city should or should not have a call center in town, but because of the speed at which this has come forth to the voters. There has been little public discussion on this, although there has been a council work session on February 12, 2012, and budget meeting on February 28, 2012, as far as neighbors are concerned they have no idea what is going on. All operation and personnel costs needs to be addressed when considering a levy. Council and the city manager need to consider reducing pension costs, which is the driving factor of where we are today. Those costs have exceeded the revenue since I lived here. For the future, having costs built into the salary or compensation packages is not sustainable. In this current economic and social environment contracting should be considered for competitive and cost effectiveness for years to come. Dan outlined how the general fund is from different departments, so why not reduce employee benefits across the board. Look at what all costs boil down to and the most essential costs we want to incur as a city. There needs to be an open mind on how to mitigate or address costs in the future; trade offs is what it comes down to. The chamber funds do a great job but what is more important, a call center or to keep funding the information center. General obligations rarely end; once the door is opened it is difficult to close.

Councilor Bacon pointed out the monies given to the chamber are a dedicated source and the city cannot spend it on anything but tourism.

Councilor Howard closed the public testimony and asked for staff's final recommendation. Dan Danicic recommended approving Resolution No. 2012-2990 and moving the ballot title to the May election.

MOTION: Shelton/McKinney to not approve Resolution No. 2012-2990.
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Councilor Shelton indicated discussions have been about the budget issues, which is much bigger than just the resolution in front of us. Not approving this resolution postpones council deliberation to allow for discussion in the community.

Councilor McKinney stated he is not in favor of the levy. Funding for 9-1-1 needs to be supported by the whole community and a levy does not do that. Increasing the public safety fee should be considered in order to reach out to a mass of people instead of just those that pay property taxes.

Councilor Rierson agreed he did not feel the levy of this magnitude could pass and would be counterproductive to the budget process. This levy maybe addresses the cost of operations but not what the savings are as part of the whole picture. I do not want to go to the public when I am not prepared to give up the operation of dispatch in our community. We need to find a way to help fund public safety, not just 9-1-1, and all general fund money. It is reasonable to ask, but it may be better to do a levy at a lower amount or a utility fee.

Councilor Witherspoon agrees this is an affront to citizens to throw at them in this time frame and the majority would have no idea what this is about. We need to educate the public that this is not an issue of financing public safety or dispatch, but total budget shortfalls and we have to find money somewhere. We need to rally the community for everyone to chip in to help the city maintain the same level of livability they are accustomed to. Do we make it part of the utility bill or part property tax increase, I do not know but there is no way the public will buy this. We need to be honest and not farm this out to WCCCA. I want to keep it here as well as not cut police and fire.

Councilor Bacon explained she is not in support of the motion on the table. I agree we need more time. This puts money into the budget so we can fund 9-1-1, which is worthwhile. Even if this is a short time, I support funding the 9-1-1 how we can and would work on the campaign.

Mayor Andrews said he does not support the resolution and will vote not to adopt it. We owe it to the community to have more in depth conversation and explore various alternatives.

Councilor Howard said at first I was hesitant to send this to a vote and was more inclined to consider contracting, but projected savings gave me a more informed decision. I somewhat disagree people would be in the position to make an informed decision and may not recognize the benefits of a local dispatch; rather, they would see costs actually spent on dispatch even if they were not true costs. My opinion has changed the last couple weeks and I support this motion.

VOTE: to not approve Resolution No. 2012-2990 . Motion carried (6 Yes/1 No [Bacon]).
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4. Consider a motion approving **Resolution No. 2012-2992** authorizing the city manager to negotiate a contract change order with First Cascade Corporation for the Fire Station 20 Remodel Project.

TIME – 9:37 p.m. - This item was pulled from the Consent Calendar to be discussed under New Business.

Staff recommended approval of the revised Resolution No. 2012-2992, as handed out (see official meeting packet for revised resolution).

MOTION: Shelton/Bacon approving Resolution No. 2012-2992 authorizing the city manager to negotiate contract change orders with first cascade corporation for to the fire station 20 remodel project up to a total contract amount of \$705,366.00 and repeal Resolution no. 2012-2985. Motion carried (7 Yes/0 No).
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IX. COUNCIL BUSINESS

TIME – 9:41 p.m.

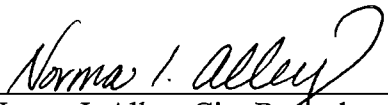
Mr. Mahr reminded the council the mayor will be reappointing the Judge tomorrow at 11:30 a.m. in the Public Safety Building Training Room.

Councilor Bacon inquired how to get designated handicap parking closer to City Hall. Mr. Danicic answered the request should begin at the Traffic Safety Commission.

X. ADJOURNMENT

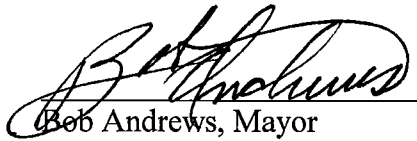
The meeting adjourned at 9:44 p.m.

ADOPTED by the Newberg City Council this 2nd day of April, 2012.



Norma I. Alley, City Recorder

ATTEST by the Mayor this 5th day of April, 2012.



Bob Andrews, Mayor